



BNY MELLON

The Bank of New York Mellon

February 12, 2019

FINAL NOTICE TO HOLDERS OF

PUERTO RICO SALES TAX FINANCING CORPORATION

SALES TAX REVENUE BONDS

SENIOR SERIES 2007A, 2007B, 2007C, 2008A, 2009C, 2011C, 2011D

**FIRST SUBORDINATE SERIES 2009A, 2009B,
2010A, 2010C, 2010D, 2010E, 2011A, 2011B**

CUSIP NOS.¹

74529JAF2	74529JBF1	74529JEM3	74529JFV2	74529JHN8	74529JKD6	74529JLJ2	74529JMJ1
74529JAG0	74529JBG9	74529JEN1	74529JFW0	74529JHP3	74529JKE4	74529JLK9	74529JMK8
74529JAH8	74529JBH7	74529JEP6	74529JGU3	74529JHR9	74529JKF1	74529JLL7	74529JML6
74529JAJ4	74529JBJ3	74529JEQ4	74529JND3	74529JHS7	74529JKG9	74529JLM5	74529JMM4
74529JAK1	74529JBK0	74529JER2	74529JGW9	74529JHT5	74529JKH7	74529JLN3	74529JMN2
74529JAL9	74529JBL8	74529JES0	74529JNE1	74529JHU2	74529JKJ3	74529JLP8	74529JME2
74529JAM7	74529JAE5	74529JFF7	74529JGY5	74529JNL5	74529JKK0	74529JLQ6	74529JMF9
74529JANS5	74529JDY8	74529JFG5	74529JGZ2	74529JGP4	74529JKL8	74529JLR4	74529JNM3
74529JAP0	74529JDZ5	74529JFH3	74529JNF8	74529JGR0	74529JKM6	74529JLD5	74529JNN1
74529JAQ8	74529JEA9	74529JFJ9	74529JHB4	74529JHY4	74529JKN4	74529JLE3	74529JNP6
74529JAR6	74529JEB7	74529JFK6	74529JNG6	74529JHW8	74529JKP9	74529JLX1	74529JNQ4
74529JAS4	74529JEC5	74529JFL4	74529JHD0	74529JHX6	74529JKQ7	74529JLY9	74529JNR2
74529JBB0	74529JED3	74529JFM2	74529JHE8	74529JGQ2	74529JKR5	74529JLZ6	74529JNS0
74529JAA3	74529JEE1	74529JFN0	74529JHF5	74529JHV0	74529JKS3	74529JMA0	74529JNT8
74529JBC8	74529JEF8	74529JFP5	74529JHG3	74529JJX4	74529JKT1	74529JMC6	74529JPD1
74529JAB1	74529JEG6	74529JFQ3	74529JHH1	74529JJY2	74529JKU8	74529JMD4	74529JPE9
74529JBD6	74529JEH4	74529JFR1	74529JNH4	74529JJZ9	74529JKV6	74529JMB8	74529JPF6
74529JBE4	74529JEJ0	74529JFS9	74529JNJ0	74529JKA2	74529JLF0	74529JMP7	74529JPG4
74529JAC9	74529JEK7	74529JFT7	74529JHL2	74529JKB0	74529JLG8	74529JMG7	74529JPH2
74529JAD7	74529JEL5	74529JFU4	74529JHM0	74529JKC8	74529JLH6	74529JMH5	74529JNW1
74529JNU5	74529JNX9	74529JNV3	74529JNY7	74529JNZ4	74529JPA7	74529JPB5	74529JPC3
74529JPJ8	74529JPK5	74529JPL3					

¹ No representation is made as to the correctness or accuracy of any CUSIP numbers, which are included solely for the convenience of the Bondholders.

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE SUBJECT BONDS. ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RETRANSMITTAL TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.

The Bank of New York Mellon (the “Trustee”) serves as trustee under the Amended and Restated Sales Tax Revenue Bond Resolution (as amended and supplemented from time to time, the “Resolution”), adopted on July 13, 2007, by the Puerto Rico Sales Tax Financing Corporation (“COFINA”), pursuant to which COFINA issued the above-referenced senior and subordinate sales tax revenue bonds (the “Bonds”).

Title III Proceeding and Interpleader Action

The Trustee previously advised Bondholders that, on May 5, 2017, The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) filed a petition for relief on behalf of COFINA under title III of the Puerto Rico Oversight, Management, and Economic Stability Act, 48 U.S.C. § 2101 *et seq.* (“PROMESA”), in the United States District Court for the District of Puerto Rico (the “Court”). COFINA’s title III proceeding is being administered jointly on the docket of the United States Bankruptcy Court for the District of Puerto Rico at Case No. 17-BK-03283-LTS.

The Trustee also previously advised Bondholders that, pursuant to the *Order Granting Interpleader, Staying Pending and Future Litigation Against The Bank of New York Mellon, as Trustee, Pursuant to 28 U.S.C. § 2361, and Granting Related Relief* entered by the Court in Adv. Proc. No. 17-AP-00133-LTS (the “Interpleader Action”), the Trustee will not make any payment on the Bonds from the Pledged Sales Tax received by the Trustee until the Court enters a further order directing the timing of distributions and identifying the recipients of such funds.

Material Developments

The Trustee previously advised Bondholders that COFINA was soliciting votes from Bondholders to accept or reject its second amended plan of adjustment and of certain important dates and deadlines with respect to voting on the plan and the confirmation process. The Trustee explained that the plan provides for the adjustment of COFINA’s debts and sets forth the manner in which claims against COFINA, including the claims that the Trustee filed on behalf of itself and the Bondholders for principal, interest, and other amounts due on account of the Bonds and under the Resolution, will be treated. The Trustee also explained that the plan contains certain releases, injunctions, and exculpations relating to COFINA and the Bondholders’ claims.

Confirmation of Third Amended Plan of Adjustment: On January 16 and 17, 2019, the Court held an evidentiary hearing to consider confirmation of the *Third Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [No. 17-03283-LTS, Doc. No. 4652] (the “Plan”).² On February 5, 2019, the Court entered the *Amended Memorandum of*

² Capitalized terms used but not defined in this notice have the meanings given in the Resolution or the Plan, as the context requires.

Findings of Fact and Conclusions of Law in Connection with Confirmation of the Third Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation [No. 17-03283-LTS, Doc. No. 5053] (the “Memorandum”) and the *Amended Order and Judgment Confirming the Third Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [No. 17-03283-LTS, Doc. No. 5055] (the “Confirmation Order”). Pursuant to the Confirmation Order, the Plan and each of its provisions are confirmed pursuant to section 314(b) of PROMESA.

Copies of the Plan, the Memorandum, and the Confirmation Order may be obtained by contacting COFINA’s claims and noticing agent, Prime Clerk LLC, by telephone at (844) 822-9231 (toll free for U.S. and Puerto Rico) or (646) 486-7944 (for international callers), available 10:00 a.m. to 7:00 p.m. (Atlantic Standard Time) (Spanish available), or by email at puertoricoballots@primeclerk.com, or by accessing either <https://cases.primeclerk.com/puertorico/> or the Court’s website, <https://www.prd.uscourts.gov/>.

Effective Date: On February 12, 2019, the Oversight Board notified the Court, creditors, and parties in interest that the Effective Date of the Plan occurred and the Plan was substantially consummated on February 12, 2019. See No. 17-03283-LTS, Doc. No. 5104.

Plan Distributions

Pursuant to section 2.1(c) of the Plan and subject to certain excepted claims referenced therein, the Interpleader Action shall be deemed dismissed, with prejudice, and the funds deposited with the Trustee in connection therewith shall be distributed in accordance with the terms and provisions of the Plan.

Pursuant to section 19.1(a) of the Plan, COFINA, acting as its own Disbursing Agent, shall distribute, or cause to be distributed, to each holder of an Allowed Bond Claim such Creditor’s Pro Rata Share, if any, of Section 103 Cash, COFINA Cash Available for Distribution, Rounding Amount Cash, Taxable Election Cash, Consummation Costs, if applicable, and COFINA Bonds, together with, where applicable, the consideration described in sections 6.1 and 7.1 of the Plan, or, in lieu of all of the foregoing, certificates in the applicable Trust.

Pursuant to section 19.5 of the Plan, COFINA is causing the Trustee to distribute and deliver Cash and COFINA Bonds, as applicable, to Bondowners or the applicable Trust on the Effective Date in accordance with the provisions of the Plan, the Confirmation Order, and the applicable governing documents, and the Trustee is acting in reliance upon the distribution instructions received from COFINA.

The enclosed notice (the “Distribution Notice”) from COFINA’s agent, Prime Clerk LLC (“Prime Clerk”), sets forth information concerning distributions to holders of Bond Claims under the Plan. The Cash and COFINA Bonds being distributed by the Trustee on the Effective Date will be allocated among Bondowners at a rate per \$1,000 of principal amount of Bonds as set forth in the charts attached to the Distribution Notice as Exhibit A and Exhibit B (the “Distribution Allocations”). The Trustee understands that a link to the Distribution Notice, including the Distribution Allocations, has been posted on the following webpage: <https://cases.primeclerk.com/puertorico/>. The Distribution Allocations were determined by

COFINA and Prime Clerk, and the Trustee neither has nor assumes any responsibility for determining the Distribution Allocations.

Bondowners should direct questions regarding the Distribution Notice and the Distribution Allocations to Prime Clerk by emailing puertoricoballots@primeclerk.com.³

No guidance is being provided in this notice as to the proper characterization of the distribution for tax purposes and whether any particular portion of the distribution should be treated as principal, interest, or otherwise. Bondowners are urged to consult with their tax advisors regarding tax treatment.

Cancellation of the Indenture and Release and Discharge of the Notes

As more fully set forth in section 19.6 of the Plan, upon the Effective Date, the Bonds and all instruments and documents related thereto, including, without limitation, the Resolution, are deemed automatically cancelled, terminated, and of no further force or effect against COFINA without any further act or action under any applicable agreement, law, regulation, order, or rule, with COFINA and the Trustee having no continuing obligations or duties and responsibilities thereunder, and the obligations of the parties to COFINA, as applicable, under the Bonds and all instruments and documents related thereto are discharged.

Consistent with section 19.5 of the Plan, the Trustee will close and terminate the original CUSIPs for the Bonds after making the distributions contemplated in this notice and shall have no further distribution obligations thereafter.

Accordingly, this notice is the final communication Bondowners will receive from the Trustee.

Further Information

Questions concerning this notice may be directed to the Trustee by contacting Mr. Alex Chang at The Bank of New York Mellon, 101 Barclay Street, New York, NY 10286, or by email at alex.chang@bnymellon.com.

The Trustee may conclude that a specific response to particular inquiries from individual Bondowners is not consistent with equal and full dissemination of significant information to all Bondowners or parties in interest. In such event, the Trustee may decline to provide a response to a particular inquiry when presented in favor of sending a notice to all Bondowners setting forth such specific response.

³ To the extent of any discrepancy between this notice and the documents filed with the Court, the filed documents control.

Bondowners should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no legal, investment, accounting, financial, or tax advice as to the above matters or the Bonds generally. Bondowners should consult with their own professionals regarding matters relating to the Bonds.

THE BANK OF NEW YORK MELLON,
as Trustee

ANNEX A

Distribution Notice

(Attached)

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO SALES TAX FINANCING
CORPORATION,

Debtor.

PROMESA
Title III
No. 17 BK 3283-LTS
(Jointly Administered)

PROMESA
Title III
No. 17 BK 3284-LTS

NOTICE OF DISTRIBUTION TO HOLDERS OF THE FOLLOWING:

Plan Class	Class Description
1	Senior COFINA Bond Claims ²
2	Senior COFINA Bond Claims (Ambac)
3	Senior COFINA Bond Claims (National)
5	Junior COFINA Bond Claims
6	Junior COFINA Bond Claims (Assured)

The *Third Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation, dated January 9, 2019 (Docket Entry No. 439 in Case No. 17-3284)* (as may be amended or modified, the “Plan”) was confirmed by the United States District Court for the District of Puerto Rico on February 4, 2019. The effective date of the Plan is February 12, 2019. As part of the mandatory exchange of the above referenced classes of

¹ The Debtors in these Title III Cases, along with each Debtor’s respective title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² Unless otherwise defined in this Notice, capitalized terms used herein shall have the meanings ascribed to them in the Plan.

securities, holders will receive new securities and/or cash in accordance with the chart set forth on Exhibit A hereto.

This will be the first and final distribution. In addition, the Plan provides that no fractional bonds will be distributed, with fractional bonds rounded up or down to the nearest \$1,000. All Cash (other than Ambac and National Consideration Cash) shall be rounded up or down to the nearest cent (with half-cents rounded down). Ambac and National Consideration Cash shall be rounded down to the nearest cent. DTC is considered a single holder for rounding and distribution purposes and no additional securities or cash will be distributed to DTC or otherwise on account of rounding at the participant or beneficial holder level.

In addition to the mandatory exchanges referenced above, certain holders of the above referenced classes of securities electronically delivered their positions via the Automated Tender Offer Program at DTC and made certain holder specific distribution elections. In connection therewith, DTC is processing such voluntary distributions to each tendered position based on each holder's distribution elections. In connection with this voluntary distribution, holders of the securities referenced on Exhibit B hereto (which have been electronically delivered into the applicable contra cusips) will receive new securities and/or cash in accordance with the chart set forth on Exhibit B hereto. With respect to the voluntary exchange, no fractional bonds will be distributed, with fractional bonds rounded down to the nearest \$1,000. No fractional trust certificates will be allocated, with fractional certificates rounded up or down to the nearest whole dollar (with half-dollars rounded down). Rounding Amount Cash shall be rounded up or down to the nearest cent (with half-cents rounded down). Taxable Election Cash shall be rounded down to the nearest cent (with half-cents rounded down).

If you have any questions, please contact Prime Clerk by emailing puertoricoballots@primeclerk.com.

Exhibit A

Mandatory Exchange Distribution Allocation Information

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Moderating factors

COFINA

Exhibit B Page 11 of 15

Mandarin English

Exhibit B

Voluntary Exchange Distribution Allocation Information

Voluntary Exchange Information

